

## **TNT marks fifth year of the Asia Road Network with a further injection of €4.5 million over next two years**

*Bulk of investment earmarked for new fleet of trucks specially designed for Asia*

**Singapore, 22 June 2010** – TNT, one of the world's leading express integrators, today announced that it will make a further 4.5 million euro (about S\$7.61m) investment in its successful Asia Road Network (ARN), which currently serves 7 countries and 127 cities in Southeast Asia and southern China. This brings the total investment to date in the fully integrated ARN to more than 12.5 million euro (about S\$21.4 million).

Most of the new investment will be to acquire a fleet of trucks specially designed to suit pan-Asian routes. The 41-foot trucks and trailers are larger and more environmentally friendly than their predecessors. This announcement coincides with the fifth anniversary of TNT's unique ARN. TNT has had brisk and growing demand for its road solutions in the last five years. Capacity on the ARN has grown over 20 per cent year-on-year. At the same time, volume between 2009 and 2010 (year to date) has grown by 70 per cent. In Singapore alone, volume growth grew by 52 per cent between January 2009 and January 2010.

Onno Boots, Regional Managing Director of TNT Southeast Asia and India said, "Five years ago, we announced our intention to develop a road network in Asia, very much like our Europe Road Network. We were the first to attempt such an ambitious project in Asia, and we faced a set of unique challenges. TNT did what we do best, which was to innovate, facilitate and create an unrivalled road network that offers our customers a combination of cost efficiency, speed, security and reliability. Over the years, we have seen the profile of freight diversify to include more high-value goods, such as electronics, healthcare products and automotive and industrial equipment."

Transporting goods by road on the ARN is, on average, 30 per cent cheaper than air transportation and three times faster than sea transportation. Apart from cost efficiencies from using the ARN, TNT has also noted that more businesses in Asia are taking steps to reduce their carbon footprint by using overland transportation when the speed of delivery is not the most important factor. In the future, TNT expects to see a further shift in transportation from air to road as the ARN and other international transport routes continue to develop.

"TNT understands that air freight will continue to be an attractive proposition for companies with time-sensitive requirements. To facilitate a complete door-to-door solution within Asia, TNT decided to invest into the development of a Regional Hub located in Singapore two years ago. This integrated air and road hub was specifically built, at a cost of around S\$20 million, to allow a seamless link between our air and road services. Basically, if the trucks were any closer to the planes, they'd be on them. The idea being, of course, to minimize handling times and costs and allow our customers unparalleled reach and access across Southeast Asia and India either by road, air or a combination of both." Said Onno Boots

"We congratulate TNT on the fifth year of its successful Asia Road Network. We are delighted that TNT's Regional Hub in Singapore is a critical point that enables the company to manage and further connect its innovative Asia Road Network with its air network. TNT's celebration of the Asian Road Network marks a significant milestone in TNT's strong partnership with Singapore. It also affirms Singapore's strong capabilities in developing and implementing innovative supply chain solutions to address companies' needs in Asia." said Mr Kelvin Wong, Director, Logistics, Singapore Economic Development Board.

The ARN is seamlessly linked to TNT's air networks and is supported by its multiple facilities across the region, most notably the S\$20 million TNT Regional Hub – an integrated air and road hub located in Singapore.

## ***Redefining road transportation in the APAC region***

TNT's new fleet will comprise of 12 trucks and 14 41-foot trailers. Produced by Scania, the model R380 trucks were specially designed for TNT and tailored specifically for maximum efficiency on pan-Asian routes. The trucks are also amongst the first Scania R-series assembled and sold in the region, coinciding with TNT's requirement for double beds for the long, 7650km routes within the ARN. These new trucks represent the future of road transportation in the region. TNT and Scania have collaborated closely on design and security features which are still, to this day, completely unique in the region. The security systems have been provided by Astrata, with whom TNT will continually partner to ensure systems and processes are kept up to date.

Some of the design features of TNT's new trucks include:

- Increased capacity – capacity on the new trucks is 20 per cent greater than that of previous trucks
- Lighter – three tons lighter than predecessors, meaning reduced wear and tear
- Enhanced security (partnering with Astrata) – in-built security system that enables efficient, round-the-clock remote monitoring of the trucks
- Greener – improved fuel efficiency and reduced emissions; new trucks are 17 per cent more efficient when measured against the industry benchmark.

The first two trucks have been delivered to TNT and will commence service immediately.

David Stenberg, General Manager, Asia Road Network said, "In a recent report<sup>1</sup>, the total volume of road freight carried domestically and internationally in Asia is expected to grow by 8.4 per cent for the next four years, from 2,090 billion tonnes-km in 2010 to 2,889 billion tonnes-km in 2014. A number of years ago, TNT recognised that there was a fantastic opportunity to create and invest into a road network that spans the region and offers customers an attractive and safe middle option in freight transport, outside of air and shipping. We are very proud of our new fleet of trucks, they represent the future in trucks, as does our ARN in road transport."

TNT plans to announce further security enhancements to the ARN and plans to expand the road network further into mainland China and subsequently into India.

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### **Notes to editor:**

#### **About the Asia Road Network**

Established in 2005, the Asian Road Network currently links 7 countries across 127 cities - a distance of more than 7,650 kilometres. The TNT Asia Road Network offers businesses a cost and time effective solution with a land transport service that will provide significant savings compared to air freight and with transit times that are two to three times faster than sea freight.

#### **About TNT's Express division**

TNT's Express division is one of the world's leading express delivery services providers. It delivers 4.4 million parcels, documents and pieces of freight a week to over 200 countries using its network of 2,409 depots, hubs and sorting centers. The division operates 26,310 road

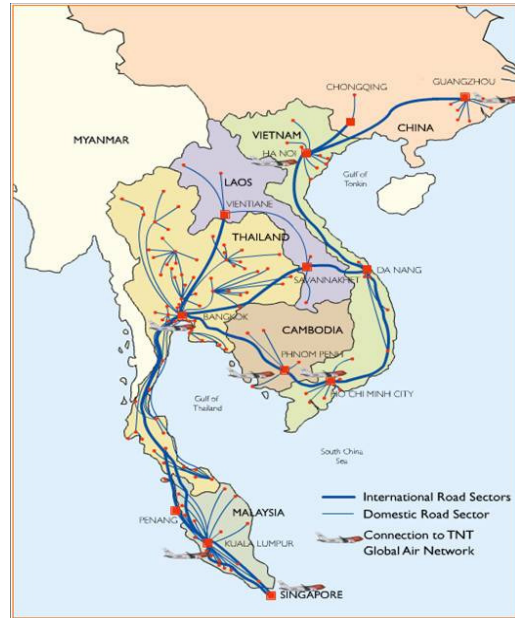
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<sup>1</sup> L.E.K analysis (based on BMI)

vehicles, 48 aircraft and has the biggest door-to-door air and road express delivery infrastructure in Europe.

TNT's Express division employs over 78,000 staff worldwide. It is the first organisation to have achieved global recognition as an Investor in People. The division reported revenues of €5.956 billion in 2009. The operating income was €193 million. Visit TNT's Express division online: <http://www.tnt.com/express>

TNT provides businesses and consumers worldwide with an extensive range of services for their mail and express delivery needs. Headquartered in the Netherlands, TNT offers efficient network infrastructures in Europe and Asia and keeps optimising its global network performance. TNT serves more than 200 countries and employs about 160,000 people. Over 2009, TNT reported €10.4 billion in revenues and an operating income of €648 million. TNT is quoted on the Amsterdam Stock Exchange. TNT recognises its social responsibility and has formed partnerships with the United Nations World Food Programme and the United Nations Environment Programme to fight hunger and pollution in the world. Our efforts are being recognised: In 2009 TNT again reached the highest score of all companies included in the Dow Jones Sustainability Index. More information about TNT can be found on its website <http://group.tnt.com>.



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